

MILITARY ISSUES RESEARCH MEMORANDUM

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STRATEGIC LOGISTICS-THE MISSING LINK

by

Colonel Edward P. Lukert, Jr.

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FOREWORD

This memorandum discusses what the author perceives as lack of thought about the impact of the world's limited resources on US national security. Although various aspects of the problem have been addressed, it has never been defined adequately in its totality, in the author's view. He terms the overall resource and management problem "strategic logistics," and advocates a focal point at the highest level of the executive branch to coordinate and formulate a comprehensive strategic logistics policy for the nation. The author concludes by examining some of the potential problems and opportunities for this concept to determine its viability as a solution to the resource and management dilemma.

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DeWITT C. SMITH, JR. Major General, USA Commandant

BIOGRAPHICAL SKETCH OF THE AUTHOR

COLONEL EDWARD P. LUKERT, JR. is the Director of Military Planning Studies, Department of Military Strategy, Planning and Operations. A graduate of the US Military Academy, Colonel Lukert holds a second bachelor's degree and master's degree from Georgia Institute of Technology, and a second master's degree from Shippensburg State College. He has served as a staff officer and commander of both infantry and aviation units in Korea, the United States, Europe, and Vietnam, in addition to serving in the office of the Vice Chief of Staff on the Department of the Army Staff. Prior to his present position, he was the Commanding Officer of the 101st Aviation Group, 101st Airborne Division (Airmobile).

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STRATEGIC LOGISTICS-THE MISSING LINK

Pick up any small or large newspaper and we are bombarded with headlines such as:

- THE ENERGY PROBLEM: WHAT IS TO BE DONE? (The New York Times, January 3, 1975)
- RUNNING SHORT OF KEY METALS (The Evening Sentinel, Carlisle, PA., November 17, 1975)
 - RAILROADS SEE COAL PIPELINES AS BIG THREAT, and,
- GAS SHORTAGE EVAPORATES (The Washington Post, December 7, 1975)

The list goes on and on, but what is the message behind these headlines? First of all, we are being told that resources are limited. Second, there is an ominous question inferred in each article asking who is responsible for coordinating solutions and integrating the country's efforts in resource management. A survey of the *United States Government Manual*, 1975/1976 is not reassuring.

If these headlines were just indicators affecting the standard of living

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in the United States we might be concerned, but certainly not alarmed. However, the availability and management of all resources are the foundations upon which our future national security depends, and the future may be closer than anyone realizes. The statement that availability of resources and their management are the foundations of national security is a new concept for the United States. The American way of waging war, as evidenced in World War I, World War II, Korea, and Vietnam, has been based, to a large extent, on our ability to overwhelm our adversaries with massive logistical support. The capability of the great US industrial base to more than meet the logistical requirements of these wars has justifiably labeled the United States as the "Arsenal of Freedom." Why then challenge the obvious lessons of history? The answer is simple, history is dynamic-today's events are tomorrow's history, and the implications of current events since October 1973 are crying for attention and positive action. If one accepts the premise that our industrial base and ability to produce are fundamental elements of national security, then it follows that an industry starved by a lack of raw materials will be ineffective. Therefore, raw materials or resources become more important than the industrial base itself.

If the problem were limited to raw materials, simple solutions could be found. However, the entire problem is much more complex. Raw materials, resources, and logistics are synecdochical terms which do not even suggest the enormity of the issue so fundamental to our future national security. Perhaps the best way to indicate the complexity of the subject is to give a few examples showing the interrelationship and effect of one resource decision on others. Take the headline, RAILROADS SEE COAL PIPELINES AS BIG THREAT. The fundamental issue is an Administration goal for doubling US coal production in 10 years. A subset goal is obviously an economical transportation of that coal from its origin to the users. The concept of transporting coal in a high-volume water pipeline is an appealing, simple solution to the transportation problem. However, a decision to construct and use coal pipelines affects an entire chain of intertwining national security issues. Some of these are:

- Will coal pipelines aggravate the situation for our bankrupt railroads?
- Is a single-purpose coal transportation means worth the possible loss of an improved multipurpose rail system?
- What are the long-range effects of using massive but little researched water resources?

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• Will the pipeline terminal require massive retail truck deliveries and a subsequent increased use of oil resources? Other questions are hidden in this controversy, such as, does the Interior Department provide federal supervision over the pipeline while the Interstate Commerce Commission retains supervision of the railroads? Hope for an intelligent decision which considers all the issues is presently split among private enterprise, innumerable executive departments of the Federal Government, the Congress, and probably, in the final analysis, the courts. None of these has a formal required communications system

with which to coordinate and discuss differing viewpoints.1

Take another headline example, closely related to raw materials, RUNNING SHORT OF KEY METALS. The issues at stake are conflicts between environmental considerations and resources development. The apparent shortage of nickel, tungsten, and chromium results from the Congress and the Federal Government independently having withdrawn so much land for national parks, wildlife refuges, wilderness areas, and such that two-thirds of the federally-owned lands are not available for mining. There is no apparent planning or coordination concerning conservation and mineral needs. If the United States becomes solely dependent on foreign sources for key metals, whole industries could be shut down at the whim of foreign producers. Projected mineral shortages include copper, cobalt, chromium, and nickel. In 1960, the United States was dependent on imports of only 4 of 13 key raw industrial minerals-aluminum, manganese, nickel, and tin. In 1975, zinc and chromium were added to the list. By 1985, iron, tungsten, and lead will be added; by 2000, copper, potassium, and sulfur. In other resources, the conflict between mining and land use becomes more apparent. Half of Iowa is underlain by strippable coal as is 40 percent of Illinois, and broad sections of other states. Such resource development seriously competes with agricultural needs.2

Hopefully, the foregoing has provided some insight into the amorphous nature of the resource and management problem. However, this abstract problem has no definitive name, but any further discussion requires clearly defined terms. The choice is to coin new words, or to modify and clearly define one of the synecdochical terms listed earlier. Of the more familiar terms in common usage, the military term "logistics" includes the fundamental elements of the problem. The first modification of this term is to broaden the military context, mentioned in most Webster's dictionaries, to include all aspects of the national sector, both military and civilian. Modifiers can then be used to narrow

the focus.

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LOGISTICS DEFINED

I don't know what the hell this "logistics" is that Marshall is always talking about, but I want some of it. 3

E.J. King: To a staff officer, 1942

The word logistics is encumbered, from the outset, by the task of reaching agreement on the current meaning of the term. The renowned Encyclopedia Britannica notes with despair, that:

In its military sense, the word logistics has been used so loosely, and in such a variety of specific and general applications, as to defy precise definitions.

Even the Department of Defense, which has an official definition of logistics, apparently does not understand it. Having an Assistant Secretary of Defense for Installations and Logistics makes about as much sense as a manufacturer of games having a Special Assistant for Rooks and Chessmen. However, this lack of specific understanding does provide sufficient latitude to accept the definitions to be proposed in this paper.

The first serious attempt at a definition of logistics was made in 1838 when Baron Antoine Henri Jomini divided the art of war into five separate and distinct parts—strategy, grand tactics, logistics, engineering, and minor tactics. To Jomini, logistics encompassed all military activities except those of actual combat and the planning of that combat. The word logistics was little used until Captain Alfred T. Mahan introduced it into US Naval usage near the end of the 19th century. Mahan's impact on military thought is unquestioned and his writings revitalized and enlarged Jomini's concepts. In their historical treatment of the period, the Encyclopedia Britannica notes that:

... the navy's concern with the economic foundations of its expansion began to broaden the connotation of the word (logistics) to include for the first time the processes of industrial mobilization and the functions of a wartime economy in supporting military operations, spheres of activity that in Jomini's day had seemed little related to the conduct of war.6

Although military planners continued to recognize the necessity for the broad-based industrial and economic support envisioned by Mahan, official definitions of logistics remained sketchy until the term came into vogue in World War II. Logistics was not even listed in Army dictionaries until 1944, and then only to describe the traditionally narrow functions of movement and supply which characterized its

usage throughout that period.

Since World War II, the trend in official definitions has been toward a gradual widening of the functions included in the generic field of military logistics. But, the economic and mobilization aspects of logistics, envisioned by Mahan, have yet to gain official sanction or to be included in any official definitions of the term. For example, as recently as September 1974, the newly published official dictionary of the Defense Department still reads:

LOGISTICS: The science of planning and carrying out the movement and maintenance of forces. In its most comprehensive sense, those aspects of military operations which deal with: a. design and development, acquisition, storage, movement, distribution, maintenance, evacuation, and disposition of materiel; b. movement, evacuation and hospitalization of personnel; c. acquisition of construction, maintenance, operation and disposition of facilities; and d. acquisition or furnishing of services. 7

Fortunately, official definitions, no matter how current, do not necessarily reflect current thinking. There is some evidence that the term logistics is again being utilized to encompass many of the national and international aspects envisioned by Jomini and Mahan. Perhaps even of more importance is the continuing recognition of the interdependence of strategy, logistics, and national security. These trends can be traced to the excellent treatment of The Meaning of Logistics, written after World War II, by Duncan Ballantine. For it is in his discussions that we see the first emphasis on defining logistics as including all those processes critical to the development of a nation's strategy. Ballantine provides one of the first broad-based definitions of the term, when he notes that:

... logistics signifies the total process by which the resources of a nation-material and human-are mobilized and directed toward the accomplishment of military ends... broadly conceived, the logistics process is thus the means whereby the raw warmaking capacity of the nation is transformed into instruments of force ready to be employed in pursuit of strategic or tactical objectives.

Duncan Ballantine also developed a theory which credited logistics as "the bridge" between the two elements necessary for a nation to successfully wage war—its military forces and its economic capabilities.

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His succinct and epigrammatic description of the logistics process as simultaneously being "the military element in the nation's economy and the economic element in its military operations" not only fostered academic discussion, but also brings us closer to a usable definition in today's environment.

During the last two decades, Admiral Henry E. Eccles of the US Navy, in countless articles, books, lectures, and as a consultant on strategy to the US Naval War College, has extended Ballantine's theories. He has constantly fought for the acceptance and legitimization of logistics as the keystone of a bridge between the nation's war potential and the forces it fields for battle. This duality of the logistics process has been noted by several authors who have expressed concern over the civilian domination of the producer phase and the military domination of the consumer phase. Eccles points out that the economic-industrial capacity of a nation limits the *creation* of combat forces while the *employment* of those forces is limited by the military commander's logistics restraints. 10

The Encyclopedia Britannica, more concerned with usage than official definitions, also provides a general description of logistics which, while recognizing the limited requirements of the battlefield, gives credence to the infinitely more difficult strategic logistics required in the second half of the 20th century.

In its narrowest application, logistics may mean simply military supply and transportation. At the other extreme, it may comprehend the provision in the broadest sense of men and materiel for military operations, including all the planning, administration and services therein involved and reaching far back into the mobilization of the nation's economic resources for war, 11

However, just as the term national security has been broadened to include all elements of national power, so must the supporting term logistics be broadened and separated from its traditional military and wartime connotation. With this objective in mind, the following definitions are proposed which recognize the interdependance of all of the nation's logistical systems as they affect national security and as they support both national goals and objectives.

LOGISTICS - The process of systems planning, management, and utilization of resources. Logistics includes all life cycle functions such as design, development, production, acquisition, storage, movement, distribution, maintenance, disposition, construction, operations, and services.

Subsets of this definition which recognize the difference in requirements between the nation's economic-industrial capacity and military usage are:

STRATEGIC LOGISTICS - The logistic processes which support either the national strategy (which includes national goals and objectives), or military strategy.

OPERATIONAL LOGISTICS - The logistic process of utilizing end items or systems to support military forces and operations.

WHAT IS TO BE DONE?

The country is now mobilized. All men and boys able to carry a spear will report immediately to Addis Ababa for active duty. Married men will bring their wives to do the cooking. Women with babies, the very old, and the very young need not report for active service. Men that are not married will bring any woman they can find. Anyone else found at home after the issuance of this order will be hanged.

Emperor Haile Selassie, 1935 Order for National Mobilization

National strategy, national security issues, and supporting strategic logistics were rather simple for Ethiopia in 1935. Everyone knew who was in charge, the threat, and available resources. However, for the United States in 1976 looking into the future, simple solutions will not work, if they ever did. The increasing complexity of national security issues defies simple analysis or solutions. One thing is clear: someone has to be in charge. Article II of the Constitution and historical precedent place this responsibility directly in the hands of the President. Obviously, the President delegates much of his authority to the Executive Office, departments, administrations, and commissions. The problem is to find a focal point for coordination, advice, and execution of the strategic logistical functions required to support national security decisions. A survey of the United States Government Manual, 1975/1976 shows many functional elements responsible for pieces of the action, but no focal point where the entire national logistics function is reviewed for total impact.

Such a focal point, or the missing link, must be close enough to the President to advise him on the impact of strategic logistics on national decisions as well as being positioned to view departmental decisions in the context of strategic logistics. The Executive Office of the President

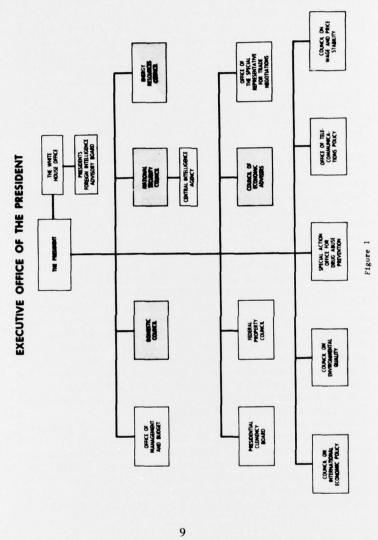
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meets both of these requirements. This office, as evidenced by its structure (Fig. 1), is designed to contain functional elements of national importance. 12 Those which have major functions related to strategic logistics are shaded in proportion to their involvement with strategic logistic matters.

Additional structure has been added to the Executive Office of the President as functions are perceived as critical to the national strategy. For example, the Energy Resources Council was established in October 1974 in response to the energy crises precipatated by the Yom Kippur War, October 1973. Its purpose is to provide a means for the coordination of energy policy matters at the Presidential level by facilitating interagency communications, and insuring presentation of consistent policy recommendations. Furthermore, the Council focuses on broad policy formulation and the development of an overall energy policy framework in order to provide an integral context for the development and implementation of Federal policy toward the management of energy resources and initiatives.13 The Domestic Council, also part of the Executive Office of the President, has a similar purpose related to domestic policy. It coordinates and formulates domestic policy recommendations for the President by assessing national needs and establishing national priorities; recommending integrated sets of policy choices; providing rapid responses to Presidential needs for advice on pressing domestic issues; and maintaining a continuous review of ongoing programs from a policy standpoint. The ad hoc project committees, through which the Council operates, may draw on departments and agency experts for staff support to supplement the Council's own staff.14

A Council for Strategic Logistics could be created in the Executive Office of the President to provide the missing link in national policy formulation from a strategic logistics viewpoint. A structure and method of operation similar to that of the Domestic Council would certainly meet the pressing needs for such an element. The Council for Strategic Logistics would insure that recommendations and policy from the Domestic Council, National Security Council, Energy Resources Council, Council on International Economic Policy, Council on Environmental Quality, and the Council of Economic Advisers were fully evaluated from a strategic logistics viewpoint before implementation. Members of the Council for Strategic Logistics would include representatives from these agencies in addition to an assigned

director and staff.



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Specific examples will demonstrate the utility of such a council. In 1975, in an economy move, the Congress killed the development of the Army's SCH-62, Heavy Lift Helicopter (HLH). The Army's HLH was being developed to be the most powerful helicopter in the world. It would have been 20 percent smaller, 33 percent lighter, and 9 percent faster than the Russian HLH while lifting 27 tons as opposed to the 19-ton lift capability of the Russian version. Assuming that there were good and valid reasons for cancelling the HLH development, the Council for Strategic Logistics would have looked at a broader spectrum of options than were considered. One of the first facts they would have considered is that this program, initiated in 1971, had a sunk cost of \$179 million with only \$22.8 million required for completion of a flying prototype. Since the termination costs were estimated to be \$9 million, \$13.8 million was all that was required to complete the program. A simple cost-benefit analysis, which considered the utility of that \$13.8 million versus the strategic logistics uses of such a machine, would have developed the following. A successful HLH could be used for commercial harvesting of Government-owned forest lands; offshore positioning of completely fabricated oil-drilling rigs; transport of nuclear devices and waste; construction of powerlines and radio towers; construction of bridges and dikes; logistic resupply of isolated areas; disaster relief; fighting forest fires; unloading containerized ships without port congestion and demurrage costs; and movement of any of a large number of prefabricated structures. Further analysis might have estimated revenue for leasing the HLH's services to commercial firms while meeting the training objectives for Army helicopter pilots. There is no doubt that the Council would have considered this small project as a possible valuable national asset from a military security aspect while paying for itself with peacetime applications. Negotiations with other departments within the Government might have produced the required \$13.8 million. In any case, the President would have at least been advised of the options and implications of the HLH cancellation. 15

Certainly a Council for Strategic Logistics could solve the problem of coal pipelines competing with the railroads alluded to earlier in this paper. Since the decision to assign jurisdiction rests in the executive branch, a simple solution of placing coal pipelines under the Interstate Commerce Commission would preclude the present special interest groups from their "divide and conquer" tactics. The other issues do require study; however, the Council for Strategic Logistics, in its

charter, would have the power to create a committee which would draw staff support from departments and agencies to pursue each topic in depth. Thus, the Council could recommend an integrated set of policy choices to the President for a decision.

In a similar manner, the problem of scarcity of key metals could be addressed. It is doubtful that the Office of Preparedness and the Office of Stockpile Disposal, which are buried in the General Services Administration, could adequately address this problem or advise the President on its potential impact on national security. However, a Council for Strategic Logistics could. The Council could not only call on the General Services Administration for staff experts, but also task other executive departments and agencies for their input. Again, the ability to recommend integrated sets of policy choices to the President could lead to a solution.

Membership in the Council for Strategic Logistics has been mentioned earlier; however, the choice of a chairman may well be the critical element. He should be chosen for his ability to get the ear of the President. A weak chairman would be ineffective, whereas a strong personality could use the Council for Strategic Logistics as the missing link in our national security chain to bring about a cohesive national policy.

TIME FOR ACTION

Time is one of the critical unknown factors for military planning and strategy. The success of our present military strategy is dependent on having sufficient warning time—the more the better. The necessity for an integrated strategic logistics policy was clearly signaled in October 1973. Subsequent events have continued to sound the alarm. However, we have used over two years of warning time attempting uncoordinated, ineffective solutions. The time for more positive action is now. Organization of a Council for Strategic Logistics in the Executive Office of the President is a logical first step toward an integrated strategic logistics policy. History will judge its effectiveness in the time remaining.

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ENDNOTES

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RECIPIENT'S CATALOG NUMBER REPORT DOCUMENTATION PAGE ACN 77011 GOVT ACCESSION JITLE (and Subtitle) Military Yssues Kesearch STRATECIC LOCISTICS - THE MISSING LINK Memore 8. CONTRACT OR GRANT NUMBER(*) Colonel Edward P. Lukert, Jr PERFORMING ORGANIZATION NAME AND ADDRESS PROGRAM ELEMENT, PROJECT, TASK Strategic Studies Institute US Army War College Carlisle Barracks, PA 17013 CONTROLLING OFFICE NAME AND ADDRESS 15 March 1977 15. SECURITY CLASS. (of this report) 14 MONITORING AGENCY MANE & ADDRESSII different from Controlling Office UNCLASSIFIED 160. 154 DECLASSIFICATION DOWNGRADING 16. DISTRIBUTION STATEMENT (of this Report) Approved for public release distribution unlimited. 17. DISTRIBUTION STATEMENT (of the abstract entered in Block 20, if different from Report) 18. SUPPLEMENTARY NOTES 19. KEY WORDS (Continue on reverse side if necessary and identify by block number) LOGISTICS, STRATEGIC LOGISTICS, OPERATIONAL LOGISTICS 20. ABSTRACT (Continue on reverse side if necessary and identify by block number) The United States may have finally realized that the world's resources are not unlimited. However, there has not been much thought about how this recently perceived problem will affect our national security, nor how to about any newspaper will have articles on such related problems as the energy crisis, shortages of key metals, and the competition between coal pipelises and the railroads. The fact is that the overall problem, as such, has never been adequately defined. (over)

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The amorphous nature of the resource and management problem, although intuitively recognized, needs a well-defined term to identify it for decision-makers and analysts. It is proposed that the term logistics be expanded, defined, and modified into <u>Strategic Logistics</u>, a term which will carry the full impact of resource limits as they affect national security.

Having placed a label on the problem and identified its complexities, it becomes apparent that a focal point at the highest level of the Executive Department is required to coordinate and formulate a comprehensive strategic logistics policy for the nation. In addition, this focal point, the missing link, must have the ear of the President so as to provide him a full list of options concerning conflicting interests which affect strategic logistics. Creating a Council for Strategic Logistics within the Executive Office of the President, with a charter similar to that of the Domestic Council, meets all the above requirements. Examination of a few potential problems or opportunities demonstrates the viability of this concept.

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